Special category status to Orissa

1195. SHRI RUDRA NARAYAN PANY:
SHRI B.J. PANDA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Chief Minister of Orissa during the 51st meeting of the National Development Council, has made a strong case for the grant of special category status to Orissa and also put forward other alternatives to help the State to tide over the financial crisis;

(b) if so, the details thereof, and

(c) the action plan of the Central Government to help the State in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) to (c) In his speech at the 51st meeting of the National Development Council, Chief Minister of Orissa reiterated Orissa's demand for special category status and sought *inter alia,* inclusion of additional districts under the Backward Region Development Grant Fund, Central funding for the KBK programme at the present level during the Eleventh Plan, periodic revision of royalty on major minerals on *ad valorem* basis, additional measures to provide debt relief to heavily indebted States, continuation of the existing funding practice for Central Assistance and full funding of urgent infrastructure. The Government of India has provided Rs. 5000 crores of Additional Central Assistance for backward districts/ regions in the current year which will be available for backward areas of Orissa. The programme will be reviewed as required while preparing the Eleventh Plan.

Government of India has accepted the recommendations of the Twelfth Finance Commission regarding discontinuing the practice of Central lending to States but it will continue to assist fiscally stressed States. In accordance with the decision taken by Government of India to implement the recommendations of the Twelfth Finance Commission (TFC) relating to reschedulement of Central loans to States, reduction of interest rate on Central loans and write-off of debt outstanding of States to the Central Government, guidelines have been issued to States by Finance Ministry for preparing a fiscal correction path and drafting fiscal responsibility legislation as prescribed by the TFC. Orissa has enacted a Fiscal Responsibility and Budget Management Act which has come into force

from 14th June 2005 targeting elimination of the revenue deficit and reducing the fiscal deficit to 3% by 2008-09. The Twelfth Finance Commission has estimated the debt relief that could be available to Orissa from 2005-06 to 2009-2010 at Rs. 1008.43 crores in terms of lower interest payment and Rs. 872.85 crores in terms of principal repayments.

Central assistance to States for Tenth Plan

1196. SHRI T.R. ZELIANG: Will the PRIME MINISTER be pleased to state:

(a) the details of Central assistance for the Tenth Plan projected with increase in each case, State-wise;

(b) the details of assistance increased for NER States in comparison to other States under the plan; and

(c) the details of policy formulated alongwith the details of projects for the economic development of the region?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) Statement showing State-wise projected Central Assistance for the Tenth Plan and allocations made for the Annual Plans 2002-03 to 2005-06 for both NE States and other States is attached as Statement-I. (*See* below)

(b) Statement showing details percentage increase in Central Assistance allocated to NE States and other States for the year 2003-04 to 2005-06 is attached as Statement-II (*See* below)

(c) Government has formulated a number of policies and programmes for speedy development of the North Eastern Region. Important policy actions taken include (i) allocation of Normal Central Assistance in the grant-loan ratio of 90:10 as against 30:70 for other States, (ii) earmarking of 10% of the budget of Central Ministries for projects in North Eastern States and creation of Non-lapsable Central Pool of Resources from the unspent amount, (iii) establishment of North Eastern Council with a separate fund under its disposal and (iv) creation of a separate Ministry called the Ministry of Development of North Eastern Region. In addition, special dispenstion is given to North Eastern States under various Centrally Sponsored Schemes and Central Schemes administered by various Ministries.